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REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

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WASHINGTON, Sept. 8--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

The EUROPEAN COMMUNITY (EC) COMMISSION has established a subsidy program to encourage the incorporation of EC-grown rapeseed in animal feed-stuffs. Under the new system, due to go into effect October 1, feed compounders who incorporate uncrushed rapeseed into animal rations will receive a subsidy equal to that now being paid to the crushing industry, currently about 10 European Community Units, or roughly \$9.40 per 100 kilograms. Virtually no uncrushed rapeseed presently is being used in compound feedstuffs.

GRAIN AND FEED

CANADA's eastern white winter wheat exports are expected to return to more normal levels after serious winterkill dramatically reduced last season's crop and limited export availabilities. With 85 percent of the harvest completed, production is estimated at 735,000 tons, more than double last year's outturn. The quality of this year's crop is reportedly better than that of a year ago. Canada has typically exported about 400,000 tons of white winter wheat annually to various European and Middle Eastern markets. August/July 1982/83 movement was limited to roughly 150,000 tons and exports in 1983/84 could reach 400,000-500,000 tons.

Total grain production in GREECE in 1983/84 is estimated at 4.38 million tons, down 20 percent from last year's harvest, according to the U.S. agricultural counselor in Athens. Winter grains were damaged by dry weather in May and heavy rains in June and early July. Wheat is estimated at 2.11 million tons, down 29 percent from last year's outturn. Soft wheat production, at 1.53 million tons, is 32 percent below production of a year ago. Durum, at 580,000 tons, is down 22 percent from last year's outturn. Barley production is estimated at 580,000 tons, down 32 percent from last year. Corn production is estimated at 1.52 million tons, up 5 percent from last year. Corn area is above last year's as a result of significant replanting of drought-stricken winter wheat fields into corn.

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The reduced wheat harvest will mean significant changes in trade and utilization prospects for 1983/84. A large portion of the soft wheat crop has been downgraded in quality and will likely be channelled into livestock feeding to offset smaller barley availabilities from a short crop. Soft wheat exports, primarily to the European Community and Middle Eastern countries such as Iraq and Syria, are expected to be half of last year's 400,000 tons. Durum exports are expected to be only 10 percent of the 550,000 tons shipped in 1982/83. Consequently, major Greek durum markets, such as Italy and Algeria, will have to turn to other suppliers this year.

The U.S. agricultural counselor in Paris estimates FRANCE's 1983/84 total grain production at 45.6 million tons, down 6 percent from last year's record harvest. Heavy spring rains and a dry summer reduced both winter and spring grain yields, with the greatest impact on spring grains. Barley production, which is primarily spring planted, is estimated at 9.2 million tons, down 11 percent from last year. Corn production is forecast at 9.2 million tons, 9 percent lower than last year's harvest and could mean increased EC import demand. Wheat production, which is primarily a winter grain, is estimated at 24.6 million tons, down 3 percent from last year's record outturn. This year's poorer quality crop will likely mean greater imports of high protein wheat of U.S. or Canadian origin, as well as lower export supplies. Other coarse grains, including rye, oats, millet and sorghum, are forecast at 2.7 million tons, down slightly from 1982/83.

INDIA's 1983/84 wheat crop is estimated at a record 41.6 million tons, 10 percent above the previous record crop of 37.8 million tons in 1982/83, according to the U.S. agricultural counselor in New Delhi. Except in 1979/80, when the wheat crop was affected by severe drought, India's wheat production has increased steadily since 1973/74. Record wheat production in 1982/83 and 1983/84, despite adverse weather conditions at harvest time, has prompted agricultural experts and government officials to note that India's green revolution is still alive. For 1984/85, the Indian government has established a wheat production target of 44 million tons.

AUSTRALIA's 1983/84 wheat crop is forecast at a near-record 17.9 million tons, according to the U.S. agricultural counselor in Canberra. This would be twice as large as last year's drought-stricken crop and only slightly below the record 18.1-million-ton 1978/79 crop. Although wet field conditions delayed planting into mid-August in northern New South Wales, Queensland and Western Australia, mild temperatures and drier weather have allowed the crop to catch up and have generally improved the yield outlook. Record wheat area of 13.0 million hectares was sown this year, 10 percent greater than the previous record of 11.9 million planted in 1981/82. The barley crop is forecast at a record 4.1 million tons, up 118 percent from last year. The agricultural counselor estimates wheat exports at 13.0 million tons.

The U.S. agricultural counselor in Rome forecasts ITALY's 1983/84 total grain production at 18.1 million tons, down slightly from last year's outturn. Wheat production is estimated at 8.6 million tons, down 3 percent from last year's crop. Soft wheat production is estimated at 5.8 million tons, 3 percent below last year's harvest, while the durum crop is forecast at 2.9 million tons, about the same as a year ago. Corn is forecast at 6.8 million tons, virtually unchanged from last year's harvest. Record high July temperatures reduced corn yield prospects, particularly in the Venice area and the eastern region where almost half the corn area is located. Other coarse grains, including barley, sorghum, oats and rye, are forecast at 2.7 million tons, about the same as last year's production.

WEST GERMANY's total grain production is estimated at 22.8 million tons, down 7 percent from the record crop of 24.6 million harvested last year, according to the U.S. agricultural counselor in Bonn. Dry conditions during late spring and summer reduced yield prospects, particularly for the spring grains. While wheat production, which is primarily a winter grain, is estimated at a record 8.9 million tons, up 3 percent from last year, barley production, which is primarily spring sown, is forecast at 8.9 million tons, down 7 percent from last year's record crop. Other grains, including oats, rye and corn, are estimated at 5.0 million tons, down 23 percent from last year's outturn.

OILSEEDS AND PRODUCTS

FISHMEAL EXPORTERS ORGANIZATION (FEO) countries, which account for the bulk of world fishmeal supplies traded in world markets, produced 790,000 tons during January-July 1983, down 25 percent from the same seven months in 1982. Fishmeal exports during the same period dipped to 615,000 tons, down 21 percent. Fishmeal stocks on July 31, 1983, declined by 39 percent from a year earlier. Data are as follows in 1,000 tons:

Country	Jan-Jul 1982			Jan-Jul 1983		
	Production	Exports	Ending Stocks	Production	Exports	Ending Stocks
Chile	405	322	282	445	302	281
Iceland	32	39	17	29	26	5
Norway	160	105	79	192	153	57
Peru	460	313	245	124	134	39
Total	1,057	779	623	790	615	382

During July 1983, fishmeal production by the FEO countries amounted to 138,000 tons, or 18 percent below the same month a year ago. July exports, at 70,000 tons, were 15 percent above the July 1982 volume, but 23 percent below the January-June 1983 average.

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In August, fishmeal prices, basis Europe, averaged about \$445 per ton--39 percent above the same month last year. Despite the drop in fishmeal production, exports and stocks, the fishmeal/soybean meal price ratio is still only about 1.56 to 1 compared with 1.48 to 1 a year ago.

DAIRY, LIVESTOCK AND POULTRY

Production estimates for WORLD poultry and egg production and WORLD livestock numbers and red meat production originally scheduled for release in today's issue of the Weekly Roundup of World Production and Trade will be released instead in the September 14 issue, WR 37-83.

JAPAN's Ministry of Agriculture, Forestry and Fisheries (MAFF) removed its foot and mouth disease ban on Danish pork imports September 1. The import restriction had been in place since a disease outbreak in March 1982. Danish pork will likely begin arriving in Japan in October.

As a result of the import restrictions, the U.S. share of Japanese pork imports increased from 21 percent in 1981 to 24 percent in 1982, an expansion of only 14 percent because of smaller supplies, higher prices, a stronger dollar and increased competition from Canada, Taiwan, Sweden and Ireland. During January-July 1983, U.S. exports of fresh chilled and frozen pork to Japan totaled 21,074 tons, a 9-percent decline from the same period last year. Japanese pork imports for all of 1983 are expected to reach 150,000 tons. Based on historic trade data, Denmark is expected to gain a 30-percent market share in 1984, while U.S. shipments may continue their recent decline.

In CHILE, 1983 milk production is expected to total 930 million tons, 10 percent below 1982 and more than 20 percent below the 1981 level. The drop in milk production is attributed to above normal levels of slaughter of dairy cows and heifers due to low milk prices in 1982, high indebtedness by producers and a second year of dry weather in major dairy regions. Milk prices have improved somewhat since mid-March when import duties were raised. A turnaround in production during 1984 could occur if the higher milk prices are maintained and normal weather conditions return.

FRUITS AND NUTS

WORLD commercial production of filberts is expected to total 516,500 tons (in-shell basis) during 1983, 49 percent above the 1982 level. Extremely favorable weather conditions prevailed throughout the growing season in Turkey and Spain. Although record crops are forecast for both countries, Turkey is expected to harvest a 370,000-ton crop, 72 percent of total world commercial output for the 1983 season. Spain's filbert production has been trending upward since 1980 as trees planted in the late 1970s have come into bearing. Higher yields have been generated by greater use of fertilizers and pesticides, as well as modern, efficient cultural practices.

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Although 1983 should be an "off-year" in the bearing cycle, Italy's 1983 filbert crop is expected to fall only 10,000 tons short of the record 1982 crop, a reflection of ideal growing conditions. The United States is expected to harvest a much smaller crop this season due to extensive disease problems.

World Commercial Production of Filberts (Inshell)
(1,000 Tons)

Country	1978	1978	1980	1981	1982	1983 1/
Italy	105.0	80.0	100.0	80.0	110.0	100.0
Spain	13.0	30.9	16.0	18.0	20.0	36.0
Turkey	305.0	290.0	240.0	350.0	200.0	370.0
United States	12.7	11.8	14.0	13.3	17.1	10.5 2/
Total	435.7	412.7	370.0	461.3	347.1	516.5

1/ Preliminary. 2/ Unofficial estimate--official USDA estimate to be released September 12.

Although bumper almond crops are forecast for Italy, Turkey and Morocco, current estimates indicate that total WORLD commercial almond production during 1983 will be 21 percent below the 1982 volume of 247,000 tons (shelled basis), making it the smallest crop since 1978. Output in the United States, the leading producer, is expected to reach only 113,400 tons (shelled basis), 28 percent below the 1982 level. Heavy rains, high winds and below normal temperatures during the pollination period sharply reduced yields and kernel quality. Tree damage and/or tree loss is evident in nearly every growing area due to root suffocation and moisture related diseases.

Severe frosts during February caused extensive damage to Spain's 1983 almond crop. Subsequent drought conditions also contributed to reduced crop prospects, since only an estimated 7 percent of the total almond area is under irrigation. Although trees in many key growing areas have shown signs of stress, industry sources believe quality and kernel size will be normal. Scattered frosts and extremely dry weather also plagued Portugal during the 1983 season. Output is expected to fall 17 percent short of the 1982 level, but crop quality is reportedly very good.

World Commercial Production of Almonds (Shelled)
(1,000 Tons)

Country	1978	1979	1980	1981	1982	1983 1/
Italy	22.0	7.0	20.0	25.0	16.0	27.0
Morocco	3.5	2.5	2.5	4.8	3.5	5.6
Portugal	3.0	2.1	5.0	3.5	4.2	3.5
Spain	60.0	32.0	45.0	80.0	55.0	35.0
Turkey	8.7	8.8	10.7	10.7	11.0	11.7
United States	82.1	170.6	146.1	185.1	157.4	113.4
Total	179.3	223.0	229.3	309.1	247.1	196.2

1/ Preliminary.

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Selected International Prices

Item		Sept. 6, 1983		Change from previous week	A year ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5%.	211.00	5.74	-3.00	194.00	
U.S. No. 2 DNS/NS: 14%...	187.00	5.09	-1.00	177.00	
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	N.Q.	
U.S. No. 2 S.R.W.....	169.50	4.61	.50	145.00	
U.S. No. 3 H.A.D.....	210.00	5.72	+1.00	163.00	
Canadian No. 1 A: Durum..	220.00	5.99	-2.00	181.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	165.00	4.19	.50	114.00	
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	N.Q.	
Feed Barley 3/.....	N.Q.	--	--	N.Q.	
Soybeans and meal:					
U.S. No. 2 Yellow.....	349.50	9.51	-2.00	229.00	
Brazil 47/48% SoyaPellets 4/	297.00	--	-0-	206.50	
U.S. 44% Soybean Meal.....	283.00	--	-2.00	201.00	
U.S. FARM PRICES 5/					
Wheat.....	131.18	3.57	+5.14	126.03	
Barley.....	90.48	1.97	-16.03	65.22	
Corn.....	130.70	3.32	-1.57	92.91	
Sorghum.....	113.76	5.16 6/	-2.65	85.54	
Broilers 7/.....	1296.53	--	+63.49	N.A.	
EC IMPORT LEVIES					
Wheat 8/.....	61.20	1.67	-3.60	109.20	
Barley.....	45.85	1.00	+.10	103.20	
Corn.....	35.50	.90	+3.65	99.05	
Sorghum.....	45.10	1.15	-2.95	100.50	
Broilers 9/.....	N.Q.	N.Q.	N.Q. *	N.Q.	
EC INTERVENTION PRICES 11/					
Common wheat(feed quality)	160.50	4.37	+.60	173.70	
Bread wheat (min. quality)	176.80	4.81	+.65	192.30	
Barley and all					
other feed grains.....	160.50	--	+.60	173.70	
Broilers 11/.....	N.Q.	N.Q.	N.Q.	N.Q.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat 12/.....	29.05	.79	-1.09	70.60	
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.	
Barley.....	N.A.	--	--	60.70	
Broilers 9/.....	N.Q.	N.Q.	N.Q. *	N.Q.	
Sugar, refined	N.Q.	N.Q.	N.Q.	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount Aug. 3, Sept. -3, Oct. -5, Nov. -8, and Dec. -10. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery. *Reflects currency fluctuation and not change in level set by EC.

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